

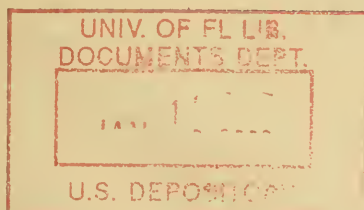
NATIONAL RECOVERY ADMINISTRATION

AMENDMENT TO
CODE OF FAIR COMPETITION

FOR THE

SAW AND STEEL PRODUCTS
MANUFACTURING INDUSTRY

AS APPROVED ON AUGUST 10, 1934



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AMENDMENT TO CODE OF FAIR COMPETITION
FOR THE
SAW AND STEEL PRODUCTS MANUFACTURING
INDUSTRY

As Approved on August 10, 1934

ORDER

APPROVING MODIFICATION OF CODE OF FAIR COMPETITION FOR THE SAW
AND STEEL PRODUCTS MANUFACTURING INDUSTRY

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for approval of a modification to a Code of Fair Competition for the Saw and Steel Products Manufacturing Industry, and opportunity to be heard thereon having been duly noticed and the annexed report on said modification, containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, I, Hugh S. Johnson, Administrator for Industrial Recovery, pursuant to authority vested in me by Executive Orders of the President, including Executive Order 6543-A, dated December 30, 1933, and otherwise, do hereby incorporate by reference, said annexed report and do find that said modification and the Code as constituted after being modified comply in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act, and do hereby order that said modification be and it is hereby approved, and that the previous approval of said Code is hereby modified to include an approval of said Code in its entirety as modified, such approval and such modification to take effect ten (10) days from the date hereof, unless good cause to the contrary is shown to the Administrator before that time and the Administrator issues a subsequent order to that effect.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval recommended:

BARTON W. MURRAY,
Division Administrator.

WASHINGTON, D.C.,
August 10, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report on the Modification of the Code of Fair Competition for the Saw and Steel Products Manufacturing Industry. This Modification was proposed and Notice of Opportunity to be Heard was given from July 19 to August 1, 1934.

This Modification is designed to correct the inadequate price fixing provisions as contained in Article VI, Sections 1, 2, and 3 of said Code by substituting therefor provisions as determined and set forth by the National Recovery Administration under Office Memorandum #228.

FINDINGS

The Deputy Administrator in his final report to me on said Modification to said Code having found as herein set forth and on the basis of all the proceedings in this matter:

I find that:

(a) The Modification to said Code and the Code as modified are well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act including the removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof, and will provide for the general welfare by promoting the organization of industry for the purpose of cooperative action of labor and management under adequate governmental sanction and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restrictions of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

(b) The Code as modified complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7, and Subsection (b) of Section 10 thereof.

(c) The Modification and the Code as modified are not designed to and will not permit monopolies or monopolistic practices.

(d) The Modification and the Code as modified are not designed to and will not eliminate or oppress small enterprises and will not operate to discriminate against them.

(c) Those engaged in other steps of the economic process have not been deprived of the right to be heard prior to approval of said modification.

For these reasons, these Modifications have been approved by me, subject however, to a ten day waiting period as provided in the Order of Approval.

Respectfully,

HUGH S. JOHNSON,
Administrator.

AUGUST 10, 1934.

MODIFICATION TO CODE OF FAIR COMPETITION FOR THE SAW AND STEEL PRODUCTS MANUFACTURING INDUSTRY

PURPOSE

Pursuant to Article IX of the Code of Fair Competition for the Saw and Steel Products Manufacturing Industry, duly approved by the Administrator on February 10, 1934, and further to effectuate the policies of Title I of the National Industrial Recovery Act, the following Modification is established as a part of said Code of Fair Competition and shall be binding upon every member of the Saw and Steel Products Manufacturing Industry.

MODIFICATION

Delete Article VI, Sections 1, 2, 3 and substitute therefor as follows:

"SECTION 1. *Open Price*.—(a) Each member of the industry shall file with the Coordinator of the Code Authority identified list of all of his prices, discounts, rebates, allowances, and all other terms or conditions of sale, hereinafter in this article referred to as 'price terms', which lists shall completely and accurately conform to and represent the individual pricing practices of said member. Such lists shall contain the price terms for all such standard products of the industry as are sold or offered for sale by said member and for such non-standard products of said member as shall be designated by the code authority. Said price terms shall in the first instance be filed within fifteen (15) days after the date of approval of this provision. Price terms and revised price terms shall become effective immediately upon receipt thereof by the Coordinator. Immediately upon receipt thereof, the Coordinator shall by telegraph or other equally prompt means notify said member of the time of such receipt. Such lists and revisions together with the effective time thereof, shall upon receipt be immediately and simultaneously distributed to all members of the industry and to all of their customers who have applied therefor and have offered to defray the cost actually incurred by the code authority in the preparation and distribution thereof and be available for inspection by any of their customers at the office of the Coordinator. Said lists or revisions or any part thereof shall not be made available to any person until released to all members of the industry and their customers, as aforesaid; provided, that prices filed in the first instance shall not be released until the expiration of the aforesaid fifteen (15) day period after the approval of this provision. The code authority shall maintain a permanent file of all price terms filed as herein provided, and shall not destroy any part of such records except upon

written consent of the Administrator. Upon request the code authority shall furnish to the Administrator or any duly designated agent of the Administrator copies of any such lists or revisions of price terms.

"(b) When any member of the industry has filed any revision, such member shall not file a higher price within forty-eight (48) hours.

"(c) No member of the industry shall sell or offer to sell any products of the industry, for which price terms have been filed pursuant to the provisions of this article, except in accordance with such price terms.

"(d) No member of the industry shall enter into any agreement, understanding, combination or conspiracy to fix or maintain price terms, nor cause or attempt to cause any member of the industry to change his price terms by the use of intimidation, coercion, or any other influence inconsistent with the maintenance of the free and open market which it is the purpose of this article to create.

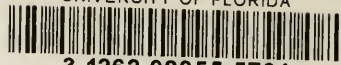
"SECTION 2. *Cost Finding*.—The Code Authority shall cause to be formulated methods of cost finding and accounting capable of use by all members of the industry, and shall submit such methods to the Administrator for review. If approved by the Administrator, full information concerning such methods shall be made available to all members of the industry. Thereafter, each member of the industry shall utilize such methods to the extent found practicable. Nothing herein contained shall be construed to permit the Code Authority, any agent thereof, or any member of the industry to suggest uniform additions, percentages or differentials or other uniform items of cost which are designed to bring about arbitrary uniformity of costs or prices.

"SECTION 3. *Costs and Price Cutting*.—(a) The standards of fair competition for the industry with reference to pricing practices are declared to be as follows:

"(1) Wilfully destructive price cutting is an unfair method of competition and is forbidden. Any member of the industry or of any other industry or the customers of either may at any time complain to the Code Authority that any filed price constitutes unfair competition as destructive price cutting, imperiling small enterprise or tending toward monopoly or the impairment of code wages and working conditions. The Code Authority shall within 5 days afford an opportunity to the member filing the price to answer such complaint and shall within 14 days make a ruling or adjustment thereon. If such ruling is not concurred in by either party to the complaint, all papers shall be referred to the Research and Planning Division of NRA which shall render a report and recommendation thereon to the Administrator.

"(2) When no declared emergency exists as to any given product, there is to be no fixed minimum basis for prices. It is intended that sound cost estimating methods should be used and that consideration should be given to costs in the determination of pricing policies.

"(3) When an emergency exists as to any given product, sale below the stated minimum price of such product, in violation of Section 2 hereof, is forbidden.



“(b) Emergency Provisions:

“(1) If the Administrator, after investigation shall at any time find both (1) that an emergency has arisen within the industry adversely affecting small enterprises or wages or labor conditions or tending toward monopoly or other acute conditions which tend to defeat the purposes of the Act; and (2) that the determination of the stated minimum price for a specified product within the industry for a limited period is necessary to mitigate the conditions constituting such emergency and to effectuate the purposes of the Act, the Code Authority may cause an impartial agency to investigate costs and to recommend to the Administrator a determination of the stated minimum price of the product affected by the emergency and thereupon the Administrator may proceed to determine such stated minimum price.

“(2) When the Administrator shall have determined such stated minimum price for a specified product for a stated period, which price shall be reasonably calculated to mitigate the conditions of such emergency and to effectuate the purposes of the National Industrial Recovery Act, he shall publish such price. Thereafter, during such stated period, no member of the industry shall sell such specified products at a net realized price below said stated minimum price and any such sale shall be deemed destructive price cutting. From time to time, the Code Authority may recommend review or reconsideration or the Administrator may cause any determinations hereunder to be reviewed or reconsidered and appropriate action taken.”

Approved Code No. 274—Amendment No. 1.
Registry No. 1108-1-02.